

## **An Overview of Grant County's 2011 Annual Trending**

### **April 19, 2011**

The following steps were taken to conduct the 2011 annual trending in Grant County:

#### **Step 1: Re-Delineation of Neighborhoods**

The vast majority of neighborhoods in Grant County were completely re-examined and, where necessary, re-delineated for annual trending in 2010. This would include the creation of new neighborhoods and the combination of neighborhoods as well. This portion of trending included all property classes. Some new neighborhoods were established for new construction and/or to establish more accurate assessments.

#### **Step 2: Calculation of New Land Values**

New land values were calculated for 2011 and in only limited circumstances did sales warrant new land values for 2011. For residential property, small adjustments may have been made based on sales, but the market adjustment factor was the primary means of updating residential property values. For commercial and industrial properties, land values generally stayed consistent between January 1, 2007 and March 1, 2011. Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted accordingly.

#### **Step 3: Calculation of New Residential Factors & Residential Studies**

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Grant County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors.

With regard to rental homes, the county has assembled a detailed income and expense data base that has allowed for the calculation of market rents, expenses, capitalization rates, and gross rent multipliers. This database is the primary method of valuing all rental homes, and in some cases larger apartment complexes.

#### **Step 4: Updated Commercial & Industrial Improvement Values**

No change was made to the cost tables or the depreciation date for this year's trending of commercial and industrial improvements. The reason for this was a preliminary ratio study for commercial and industrial properties showed that this was not warranted. However, certain class codes in certain neighborhoods and/or townships did need adjusting. Market areas were created in these neighborhoods with a corresponding factor to the improvement.

*For improved residential property, in all most townships, it was determined to get an adequate sample size, sales for 2009, 2010 and 2011 were used. In some townships 2007, sales had to be used to get an adequate sample size. (Fairmount, Franklin, Jefferson, Mill, Pleasant, Sims & Washington 2009 – 2011, Green, Liberty, Monroe 2007-2011, Richland & Van Buren 2008-2011)*

*In some rural townships it became apparent that parcels that had been upgraded (vinyl siding, new windows, etc) were consistently valued low compared to the sales prices even though they were given a "Good" condition on the property record card. These parcels and like parcels were stratified and a market factor was applied. This was done by township based on Grade, Condition, Effective Year, Year Built and Square Footage.*

*For vacant residential to obtain an adequate sample size sales for 2011 to 2005 were used. This varied by township. Every attempt was made to limit the number of years used.*

*For Vacant and Improved Commercial sales for 2006 through 2010 were used to obtain adequate sample size.*

*Sales for 2006 through 2011 were used to obtain a sample for Improved Industrial.*

*Multi-Parcels sales are noted with comments in their respective cells.*

*Where necessary comments were inserted in cells where special circumstances were present.*

*When necessary, time adjustments were applied to sales that fell outside of the prescribed time period. The adjustment applied was -1.24% yearly or -.0034% daily ( 1.24%/365.25 days) The yearly adjustment was obtained from <http://www.bestplaces.net/county/indiana/grant>. "Home appreciation the last year has been -1.24 percent."*